



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re

NEW YORK TRAP ROCK  
CORPORATION, LONE STAR  
INDUSTRIES, INC., et al.,

Debtors.

Chapter 11

Case No. 90 B 21276 (HS)  
to 90 B 21286 (HS),  
90 B 21334 (HS) and  
90 B 21335 (HS)

(Jointly Administered)

In re

LONE STAR INDUSTRIES, INC.,

Debtor.

Case No. 90 B 21277 (HS)

SETTLEMENT AGREEMENT AND STIPULATED ORDER

Debtor, Lone Star Industries, Inc. ("Lone Star") and those subsidiaries of Lone Star that are debtors-in-possession in these bankruptcy cases (collectively, the "Debtors"), the United States of America ("United States"), the State of Utah ("Utah"), Davis County and Salt Lake County (Davis County and Salt Lake County, collectively, the "Counties") hereby enter into this Settlement Agreement And Stipulated Order (the "Settlement Agreement") in final settlement of the claims of the United States, Utah, and the Counties against the Debtors in these bankruptcy proceedings.

WHEREAS, on December 10, 1990, Lone Star and ten of its affiliates and subsidiaries filed voluntary petitions for

FILE PLAN

relief under Chapter 11, Title 11 of the United States Code; (the "Bankruptcy Code");

WHEREAS, on December 21, 1990, two Lone Star subsidiaries, Lone Star Building Centers, Inc. and Lone Star Building Centers (Eastern), Inc., filed voluntary petitions for relief under the Bankruptcy Code;

WHEREAS, since their respective petition dates, the Debtors have continued in the management and operation of their assets as debtors-in-possession pursuant to Section 1107 and 1108 of the Bankruptcy Code;

WHEREAS, on or about October 15, 1991, the United States, on behalf of the United States Environmental Protection Agency ("EPA"), filed a proof of claim in the above-captioned Chapter 11 proceedings alleging liability against Lone Star under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607 (the "EPA Claim") for past and future response costs at the Portland Cement Co. (Kiln Dust, #2 & #3) Superfund Site in Salt Lake County, Utah, Kiln Dust sites 1 and 4, also located in Salt Lake County, Utah, and site 5 located in Davis County, Utah (collectively, the "Sites");

WHEREAS, on or about November 21, 1985, the State of Utah Department of Health filed a civil action for injunctive relief against Lone Star Industries, Inc., d/b/a Portland Cement Company of Utah, No. C85-7880, in the Third Judicial District Court in and for Salt Lake County, State

of Utah pursuant to Section 26-14-15, Utah Code Ann. (1953 as amended) (the "Utah Action");

WHEREAS, on or about May 15, 1989, the State of Utah Department of Health, Bureau of Air Quality, issued an order to Lone Star Industries, Inc. requiring, among other things, dust suppression according to a specified schedule at Sites 2 and 3 (the "Utah Order");

WHEREAS, effective July 1, 1991 the Utah Legislature created the State of Utah Department of Environmental Quality to include the former Division of Environmental Health and its bureaus, and provided that all policy functions, regulatory and enforcement powers, rights, duties, and responsibilities of the Division of Environmental Health and its committees for air, water, solid and hazardous waste, and drinking water, previously vested in the Department of Health and its executive director, were assumed by the Department of Environmental Quality.

WHEREAS, on or about October 15, 1991, the State of Utah Department of Environmental Quality filed a proof of claim in these cases alleging liability against Lone Star under Section 107 of CERCLA and under Sections 19-6-301, et seq. of the Utah Hazardous Substances Mitigation Act (the "Mitigation Act") for past and future response costs and natural resource damages incurred at the Sites (the "Utah Claim");

WHEREAS, on or about October 15, 1991, the Salt Lake City-County Health Department and the Davis County Health

Department each filed a proof of claim alleging liability against Lone Star, d/b/a Portland Cement Company under Section 26A-1-101, et seq., Utah Code Ann. (1991) and the respective county regulations promulgated thereunder, for among other things, costs to be incurred at sites 1 and 4 and 5, respectively (collectively, the "Counties' Claims");

WHEREAS, Lone Star has a credit balance with respect to its federal income taxes for the tax year 1986 of \$891,668.25, including statutory interest accruing through December 31, 1993 (the "Credit Balance");

WHEREAS, after setting the Credit Balance off against the tax liabilities asserted by the Internal Revenue Service against Lone Star in its bankruptcy case, the IRS will owe the Debtors a net refund on its income taxes for the tax year 1986, which amounts to \$728,019.80, plus statutory interest accruing after December 31, 1993 (the "Remaining Refund Amount");

WHEREAS, the parties have agreed that the Remaining Refund Amount shall be set off against the EPA Claim; and

WHEREAS, the parties have agreed to compromise and settle the EPA Claim, the Utah Claim, the Utah Action, the Utah Order and the Counties' Claims on the terms set forth below;

WHEREAS, the parties recognize that this Settlement Agreement has been negotiated in good faith by the Debtors, the United States, Utah and the Counties, and that it is fair, reasonable and in the public interest.

NOW, THEREFORE, without any admissions or adjudication of any issues of fact or law, and upon the consent and agreement of the parties to this Settlement Agreement, by their attorneys and authorized officials, and upon the entry of an order by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approving the terms of and authorizing the Debtors to enter into this Settlement Agreement, the Debtors, the United States, Utah, and the Counties each hereby agree as follows:

I. DEFINITIONS

1. In addition to the terms defined in the above recitals, the following terms shall, as used in this Settlement Agreement, have the following meanings:

(a) "County Costs" shall mean all costs including, but not limited to, direct and indirect costs and all costs and interest that the Counties have or any one of them has incurred and paid pursuant to Section 26A-1-101, et seq., Utah Code Ann. (1991) both prior to and after the Effective Date regarding the Sites.

(b) "Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs and interest, that the United States or Utah has incurred and paid prior to November 1, 1993 with regard to the Sites, the Utah Action, the Utah Order, and all other matters covered in this Settlement Agreement.

(c) "Future Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs and interest, that the United States or Utah has incurred and

paid after October 31, 1993 with regard to the Sites, the Utah Action, the Utah Order and all other matters covered in this Settlement Agreement. Future Response Costs include, but are not limited to, all response costs to conduct or oversee remedial work or other response action work, including but not limited to, payroll costs, contractor costs, travel costs, laboratory costs, and any costs incurred to obtain access, perform periodic reviews or take emergency response actions.

(d) "Effective Date" of this Settlement Agreement shall be the date upon which an order approving the terms of and authorizing the Debtors to enter into the Settlement Agreement is entered by the Bankruptcy Court.

(e) "Natural Resource Damages" shall mean damages for injury to, or destruction or loss of natural resources, including the reasonable costs of assessing such injury, destruction or loss resulting from a release or threatened release of a hazardous substance or substances.

(f) The "Portland Cement Co. (Kiln Dust #2 and #3) Superfund Site in Salt Lake County" shall refer generally to the approximately 71 acre area located near 1000 South Redwood Road, between the Surplus Canal and Indiana Avenue in Salt Lake City, Utah, and includes Sites 2, 3 and the West Site, including the property owned by Calvin D. and Laura L. Brown.

## II. AUTHORITY

2. This Settlement Agreement shall apply to and be binding upon Debtors, the United States, Utah, and the

Counties. The parties agree not to contest the validity of this Settlement Agreement in any subsequent proceeding arising from or relating to it.

### III. RESOLUTION OF CLAIMS

3. In settlement of Debtors' alleged liability to the United States, Utah and the Counties under CERCLA, the Mitigation Act, Section 26A-1-101 et seq. of the Utah Code Ann. (1991), and any regulations promulgated thereunder, including any Natural Resource Damages: (a) the EPA Claim (Claim No. 01951) shall be allowed as a general unsecured (Class 4) claim against Lone Star in the amount of \$16,292,490.00 (the "Allowed EPA Claim"); (b) the United States Department of the Interior ("DOI") shall be deemed to have an allowed general unsecured (Class 4) claim in the amount of \$200,000.00 (the "Allowed DOI Claim"); and (c) the Utah Claim (Claim Nos. 01533 and 02359) shall be allowed as a general unsecured (Class 4) claim in the amount of \$2,007,510.00 (the "Allowed Utah Claim").

4. Upon the entry of the Bankruptcy Court's order approving this Settlement Agreement pursuant to paragraphs 29-30, (a) the Utah Action shall be dismissed, with prejudice; and (b) the Utah Order shall be deemed to have been satisfied, and shall be deemed to be withdrawn. The Allowed Utah Claim shall be deemed to satisfy all claims Utah may have against the Debtors for any operation and maintenance required of Utah at the Sites.

5. Upon the entry of the Bankruptcy Court's order approving this Settlement Agreement pursuant to paragraphs



29-30, each of the Counties' Claims (Claim Nos. 02129 and 02130) shall be deemed to be withdrawn.

IV. PAYMENT OF THE ALLOWED EPA CLAIM,  
THE ALLOWED DOI CLAIM AND THE ALLOWED UTAH CLAIM

6. Securities distributed pursuant to the Debtor's Modified Amended Consolidated Plan of Reorganization (the "Plan") on account of the Allowed EPA Claim shall be transferred to EPA under the terms of this Settlement Agreement and the Plan by forwarding the relevant stock certificates with a transmittal letter to the "Hazardous Substance Superfund Special Account for Portland Cement" at the following address:

Mellon Bank  
EPA Region VIII  
ATTN: Superfund Accounting  
P.O. Box 360859M  
Pittsburgh, PA 15251

The Debtors' transmittal letter shall identify the name of the Sites, the Sites' identification number (SSID#38), the docket number of Lone Star's Chapter 11 case and shall identify the attached stock certificates as payment due to EPA under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Ms. Maureen O'Reilly  
Enforcement Specialist  
United States Environmental Protection  
Agency  
999 18th Street, Suite 500  
Denver, Colorado 80202

7. Payment by the Debtors of any cash payment made pursuant to the Plan on account of the Allowed EPA Claim shall be made to the "Hazardous Substance Superfund Special



Account for Portland Cement" at the following address, with an accompanying transmittal letter:

Mellon Bank  
EPA Region VIII  
ATTN: Superfund Accounting  
P.O. Box 360859M  
Pittsburgh, PA 15251

The Debtors' check (certified funds) shall be accompanied by a transmittal letter which shall identify the name of the Sites, the Sites' identification number (SSID#38), the docket number of Lone Star's Chapter 11 case and shall identify the funds as payment due to EPA under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Ms. Maureen O'Reilly  
Enforcement Specialist  
United States Environmental Protection  
Agency  
999 18th Street, Suite 500  
Denver, Colorado 80202

8. The Senior Notes and the Asset Proceeds Notes (as those terms are defined in Sections 1.76 and 1.15 of the Plan) distributed to EPA under the Plan on account of the Allowed EPA Claim, and any payments made pursuant to those Senior Notes and the Asset Proceeds Notes, shall be transferred to EPA under the terms of this Settlement Agreement and the Plan by forwarding the relevant Senior Notes and Asset Proceeds Notes or payment thereunder with a transmittal letter to the "Hazardous Substance Superfund Special Account for Portland Cement" at the following address:

Mellon Bank  
EPA Region VIII  
ATTN: Superfund Accounting

P.O. Box 360859M  
Pittsburgh, PA 15251

The Debtors' transmittal letter shall identify the name of the Sites, the Sites' identification number (SSID#38), the docket number of Lone Star's Chapter 11 case and shall identify the Senior Notes and Asset Proceeds Notes or payments made pursuant to Senior Notes and Asset Proceeds Notes as being due to EPA under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Ms. Maureen O'Reilly  
Enforcement Specialist  
United States Environmental Protection  
Agency  
999 18th Street, Suite 500  
Denver, Colorado 80202

9. Securities distributed pursuant to the Plan on account of the Allowed DOI Claim shall be transferred to DOI under the terms of this Settlement Agreement and the Plan by forwarding the relevant stock certificates with a transmittal letter to:

Chief, Division of Finance  
United States Fish & Wildlife Service  
4401 North Fairfax Drive, Room 380  
Arlington, Virginia 22203

The Debtors' transmittal letter shall refer to Natural Resource Damage Assessment and Restoration Fund Number 14X5198; identify the sites as "Portland Cement Site, Salt Lake County, UT"; include the docket number of Lone Star's Chapter 11 case; and shall identify the attached stock certificates as payment due to DOI under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Regional Environmental Officer  
Office of Environmental Policy and  
Compliance  
United States Department of the Interior  
Denver Federal Center  
P.O. Box 25007 (D-108)  
Denver, Colorado 80225

10. Payment by the Debtors of any cash payment made pursuant to the Plan on account of the Allowed DOI Claim shall be made payable to the Department of the Interior, with an accompanying transmittal letter to:

Chief, Division of Finance  
United States Fish & Wildlife Service  
4401 North Fairfax Drive, Room 380  
Arlington, Virginia 22203

The Debtors' check (certified funds) and transmittal letter shall refer to Natural Resource Damage Assessment and Restoration Fund Number 14X5198; identify the sites as "Portland Cement Site, Salt Lake County, UT"; include the docket number of Lone Star's Chapter 11 case; and shall identify the funds as payment due to DOI under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Regional Environmental Officer  
Office of Environmental Policy and  
Compliance  
United States Department of the Interior  
Denver Federal Center  
P.O. Box 25007 (D-108)  
Denver, Colorado 80225

11. The Senior Notes and the Asset Proceeds Notes (as those terms are defined in Sections 1.76 and 1.15 of the Plan) distributed to DOI under the Plan on account of the Allowed DOI Claim, and any payments made pursuant to those Senior Notes and the Asset Proceeds Notes, shall be transferred to DOI under the terms of this Settlement

Agreement and the Plan by forwarding the relevant Senior Notes and Asset Proceeds Notes or payments thereunder with a transmittal letter to:

Chief, Division of Finance  
United States Fish & Wildlife Service  
4401 North Fairfax Drive, Room 380  
Arlington, Virginia 22203

The Debtors' transmittal letter shall refer to Natural Resource Damage Assessment and Restoration Fund Number 14X5198; identify the sites as "Portland Cement Site, Salt Lake County, UT"; include the docket number of Lone Star's Chapter 11 case; and shall identify the Senior Notes and Asset Proceeds Notes or payments made pursuant to the Senior Notes and Asset Proceeds Notes as payment due to DOI under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Regional Environmental Officer  
Office of Environmental Policy and  
Compliance  
United States Department of the Interior  
Denver Federal Center  
P.O. Box 25007 (D-108)  
Denver, Colorado 80225

12. Securities distributed pursuant to the Plan on account of the Allowed Utah Claim shall be transferred to Utah under the terms of this Settlement Agreement and the Plan by forwarding the relevant stock certificates with a transmittal letter identifying payment due to Utah State Treasurer, Department of Environmental Quality to:

Bank of New York  
1 Wall Street, 3rd Floor  
For State of Utah/Escrow  
Acct #344909  
New York, New York 10286

Simultaneously, a copy of the transmittal letter shall be sent to:

Utah State Treasurer's Office  
215 State Capitol  
Salt Lake City, Utah 84114

13. Payment by the Debtors of any cash payment made pursuant to the Plan on account of the Allowed Utah Claim shall be made payable to Utah State Treasurer at the following address, with an accompanying transmittal letter:

First Security Bank  
79 South Main Street  
Salt Lake City, Utah 84111  
Account No. 051-08084-13  
For credit of the Utah State Treasurer,  
on behalf of the Utah Department of  
Environmental Quality

The Debtors' check shall be accompanied by a transmittal letter, which shall identify the name of the sites and the docket number of the Debtors' Chapter 11 case, and shall identify the funds as payment due to the State under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Utah State Treasurer's Office  
215 State Capitol  
Salt Lake City, Utah 84114

14. The Senior Notes and Asset Proceeds Notes (as those terms are defined in Sections 1.76 and 1.15 of the Plan) to be distributed to Utah under the Plan on account of the Allowed Utah Claim, and any payments made pursuant to those Senior Notes and the Asset Proceeds Notes shall be transferred to Utah under the terms of this Settlement Agreement and the Plan by forwarding the relevant Senior Notes and Asset Proceeds Notes or payments thereunder with a

transmittal letter identifying payment due Utah State  
Treasurer, Dept. of Environmental Quality to:

Depository Trust Company  
Bank of New York 901  
State of Utah/Escrow  
Acct #344909  
55 Water Street  
New York, New York 10041

Simultaneously, a copy of the transmittal letter shall be  
sent to:

Utah State Treasurer's Office  
215 State Capitol  
Salt Lake City, Utah 84114

15. The Remaining Refund Amount shall be held by the Debtors in an interest-bearing account subject to the rights of EPA under the Bankruptcy Code to set off the Remaining Refund Amount against the Allowed EPA Claim. Within ten (10) days of the later of (i) approval of this Settlement Agreement by the Bankruptcy Court pursuant to Article XI, or (ii) the confirmation of a Plan of Reorganization by the Bankruptcy Court in the above-captioned proceedings, unless a different time for distribution is provided in said confirmed Plan of Reorganization, the Remaining Refund Amount shall be set off against the Allowed EPA Claim and the Debtors shall forward the Remaining Refund Amount to EPA by sending it to the "Hazardous Substance Superfund Special Account for Portland Cement" at the following address, with an accompanying transmittal letter:

Mellon Bank  
EPA Region VIII  
ATTN: Superfund Accounting  
P.O. Box 360859M  
Pittsburgh, PA 15251

The transmittal letter shall identify the name of the Sites, the Sites' identification number (SSID#38), the docket number of Lone Star's Chapter 11 case and shall identify the funds as payment due to EPA under this Settlement Agreement. A copy of the transmittal letter shall be sent simultaneously to:

Ms. Maureen O'Reilly  
Enforcement Specialist  
United States Environmental Protection  
Agency  
999 18th Street, Suite 500  
Denver, Colorado 80202

16. The amounts due on account of the Allowed EPA Claim to be distributed under the Plan shall be reduced by the Remaining Refund Amount.

17. Copies of all checks, securities and transmittal letters, and EFT or wire transfer documents evidencing Debtor's payments under paragraphs 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall be sent by first class mail to each of the following:

EPA Cost Recovery  
Program Manager  
HWM-SR and Assistant  
Regional Counsel, ORC

U.S. Environmental Protection Agency  
Region VIII  
999 18th Street, Suite 700  
Denver, Colorado 80202

Chief, Environmental Enforcement Section  
Re: DOJ #90-11-2-602  
Environment and Nature Resources Division  
U.S. Department of Justice  
P.O. Box 7611, Ben Franklin Station  
Washington, D.C. 20240



John Wheeler, Esq.  
Office of Enforcement  
LE-2244  
U.S. Environmental Protection Agency  
401 M Street, S.W.  
Washington, D.C. 20460

Associate Solicitor  
Division of Conservation and Wildlife  
U.S. Department of the Interior  
Washington, D.C. 20240

Chief, Division of Finance  
U.S. Fish and Wildlife Service  
4401 N. Fairfax Drive - Room 380  
Arlington, Virginia 22203

Utah Department of Environmental Quality  
Attention: Kent P. Gray  
Director, Division of Environmental Response and  
Remediation  
150 North 1950 West 2nd Floor  
Salt Lake City, Utah 84116

Richard F. Rathbun  
Assistant Attorney General  
Office of the Attorney General of the State of Utah  
236 State Capitol  
Salt Lake City, Utah 84114

V. COVENANT NOT TO SUE

18. Subject to subparagraph (e) below:

(a) In consideration of the distributions that will be made on account of the Allowed EPA Claim and the Allowed DOI Claim pursuant to the terms of this Settlement Agreement, the United States covenants not to sue or to take administrative action against the Debtors pursuant to Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607. (including any Natural Resource Damages, and the costs of assessing the same), and Section 7003 of the Resource

Conservation Recovery Act, 42 U.S.C. § 6973 relating to the Sites.

(b) In consideration of the distributions that will be made on account of the Allowed EPA Claim, the Allowed DOI Claim and the Allowed Utah Claim pursuant to the terms of this Settlement Agreement, Utah covenants not to sue or take any administrative action against the Debtors pursuant to Sections 106 or 107 of CERCLA, the Mitigation Act, or any regulations promulgated thereunder, including, without limitation, any Natural Resource Damages and the costs of assessing the same, relating to the Sites.

(c) In consideration of the distributions that will be made on account of the Allowed EPA Claim, the Allowed DOI Claim and the Allowed Utah Claim pursuant to the terms of this Settlement Agreement, the Counties covenant not to sue or take any administrative action against the Debtors relating to the Sites.

(d) Pursuant to CERCLA Section 122(f)(2), the United States and Utah covenant not to sue the Debtors in the event of a future release or threatened release of hazardous substances from the location of any subsequent deposition of the material or waste from the Sites;

(e) The covenants contained in subparagraphs (a), (b), (c) and (d) above shall become effective upon confirmation of Debtors' Plan of Reorganization or on the Effective Date, whichever is later.

(f) The covenants not to sue contained in this paragraph (and the reservations thereto) shall also apply to

Debtors' successors, assigns and subsidiaries, officers, directors, employees and trustees but only to the extent that the alleged liability of the successor, assign or subsidiary, officer, director, employee or trustee is based solely on its status as, and in its capacity of, a successor, assign or subsidiary, officer, director, employee or trustee of any of the Debtors.

(g) Notwithstanding any other provision of this Settlement Agreement, this agreement does not include or affect any claims that the United States may have as to any criminal liability.

(h) Notwithstanding any other provision of this Settlement Agreement, the foregoing covenants not to sue do not apply to or affect any claim arising from acts or conduct of the Debtors occurring subsequent to confirmation of Debtors' Plan of Reorganization.

(i) Except as provided in paragraph 18(f), the covenants not to sue in this paragraph extend only to the Debtors and do not extend to any other person and nothing in this Agreement is intended as a covenant not to sue or a release from liability for any person or entity other than the Debtors and the United States. The United States expressly reserves all claims, demands and causes of action either judicial or administrative, past or future, in law or equity, which the United States may have against any person, firm, corporation, or other entity not a party to this

Settlement Agreement for any matter arising at or relating in any manner to the Sites or claims addressed herein.

(j) Notwithstanding any other provision of this Settlement Agreement, nothing in this Settlement Agreement (including the covenants contained in subparagraphs (a), (b), and (c)) shall be construed to discharge any claim not otherwise discharged pursuant to the terms of this Settlement Agreement relating to the Sites or under 11 U.S.C. § 1141(d) or to expand the scope the Debtors' discharge pursuant to 11 U.S.C. § 1141(d).

VI. CONTRIBUTION UNDER SECTION 113(f)(2) OF CERCLA

19. Except as provided in paragraph 18(f), nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause or action to, any person not a party to this Settlement Agreement.

20. The United States and Utah agree that the Debtors and any successors or assigns will be entitled to contribution protection to the extent provided under Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2) for matters addressed by this Settlement Agreement.

VII. GENERAL TERMS

21. The Allowed EPA Claim, the Allowed DOI Claim and the Allowed Utah Claim shall receive the same treatment under the Plan, without discrimination, as other holders of general unsecured (Class 4) claims with all attendant rights provided by the Bankruptcy Code and other applicable law. In no event shall the Allowed EPA Claim, the Allowed DOI Claim and the Allowed Utah Claim be subordinated pursuant to

any provision of the Bankruptcy Code or other applicable law that authorizes or provides for subordination of allowed claims, including without limitation Sections 105, 510 and 726(a)(4) of the Bankruptcy Code.

22. Notwithstanding any other provision of this Settlement Agreement, there shall be no restrictions (except as otherwise required by applicable law) on the ability and right of the United States on behalf of EPA and DOI or Utah to transfer or sell all or a portion of any securities distributed to it under this Settlement Agreement or pursuant to the provisions of the Plan.

23. The Allowed EPA Claim and the Allowed Utah Claim shall be deemed amended to include all matters addressed in this Settlement Agreement but not already included therein. The Allowed EPA Claim and the Allowed Utah Claim, as amended, and the Allowed DOI Claim shall be deemed satisfied in accordance with the terms of this Settlement Agreement.

24. Except as provided in paragraph 18, nothing in this Settlement Agreement shall be deemed to limit the authority of the United States or Utah to take response or other action (including the restoration or acquisition of the equivalent of injured natural resources) under CERCLA, 42 U.S.C. § 9601, et seq., RCRA, the Mitigation Act or any other statutory authority.

#### VIII. WAIVER OF CLAIMS

25. In consideration of the entry of this Settlement Agreement, the Debtors (and their successors, assigns, officers, directors, subsidiaries, agents and employees) and

the reorganized companies as defined in the Plan hereby waive any claims or set-off under CERCLA and RCRA against the United States, including any agency or instrumentality of the United States, or the Hazardous Substances Superfund established under 26 U.S.C. § 9507, Utah, or the Counties including any claims or set off pursuant to Sections 111 and 112 of CERCLA, 42 U.S.C. § 9611 and § 9612, with respect to matters covered in this Settlement Agreement relating to the Sites. Lone Star further agrees to waive any claims that it may have relating to any value received from the cement kiln dust deposited at the Sites. Nothing contained in this Settlement Agreement shall be deemed to constitute preauthorization of a CERCLA claim within the meaning of 40 C.F.R. § 300.25(d) or 42 U.S.C. § 9622(b).

26. The Counties hereby waive any right to any distribution under this Settlement Agreement. This Settlement Agreement does not grant the Counties any rights with respect to the Sites not otherwise conferred by statute.

#### IX. SIGNATURES

27. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

#### X. PUBLIC NOTICE AND COMMENT

28. This Settlement Agreement shall be lodged (filed) with the United States Bankruptcy Court for the Southern District of New York for a period of not less than 30 days

for public notice and comment. After the conclusion of the public comment period, the United States and Utah will file with the Bankruptcy Court any comments, and at that time, if appropriate, request the Court to enter this Settlement Agreement. The United States and Utah reserve the right to withdraw or withhold its consent if the comments regarding this Settlement Agreement disclose facts or considerations which indicate that the Settlement Agreement is inappropriate, improper or inadequate.

XI. BANKRUPTCY COURT APPROVAL

29. Following the expiration of the public notice and comment period described in paragraph 28, Debtors shall move the Bankruptcy Court for an order approving the terms of and authorizing Debtors to enter into this Settlement Agreement.

30. This Settlement Agreement shall not be effective unless and until the entry of the order contemplated by paragraph 29.

31. If this Settlement Agreement is not approved by the Bankruptcy Court and Debtors are not authorized to enter into this Settlement Agreement, this Settlement Agreement shall be of no force and effect, and nothing in it shall be deemed an admission of any fact or waiver of any right of any party with respect to the matters contained herein.



FORMER DEBTORS

Lone Star Industries, Inc.  
New York Trap Rock Corporation  
San-Vel Concrete Corporation  
NYTR Transportation Corporation  
Lone Star Cement, Inc.  
Construction Materials Company  
I.C. Materials, Inc.  
Lone Star Prestress Concrete, Inc.  
Lone Star Properties, Inc.  
Southern Aggregates, Inc.  
Lone Star Transportation Corporation  
Lone Star Building Centers, Inc.  
Lone Star Building Centers (Eastern), Inc.

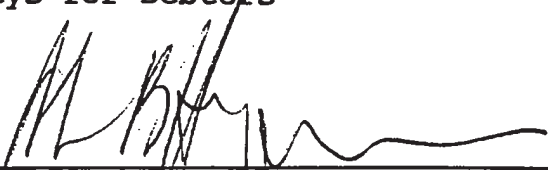
Date: 4/22/94

By: John J. Martin

John J. Martin  
Senior Vice President,  
General Counsel and Secretary  
Lone Star Industries, Inc., and  
an officer of each of the above-  
listed former Debtors  
300 First Stamford Place  
P.O. Box 120014  
Stamford, CT. 06912-0014

PROSKAUER ROSE GOETZ & MENDELSON  
Attorneys for Debtors

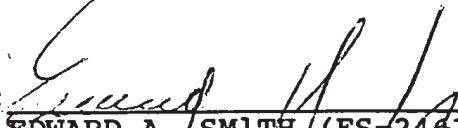
Date: 4/20/94

By:   
ALAN B. HYMAN  
(A Member of the Firm)  
1585 Broadway  
New York, New York 10036  
Telephone: (212) 969-3000

UNITED STATES OF AMERICA

MARY JO WHITE  
United States Attorney for the  
Southern District of New York  
Attorney for the United States  
of America, on behalf of the  
United States Environmental  
Protection Agency and the  
United States Department of  
the Interior

Date: 7/8/94

By:   
EDWARD A. SMITH (ES-2461)  
Assistant United States Attorney  
100 Church Street, 19th Floor  
New York, New York 10007  
Telephone: (212) 385-6353

Date: 5/26/97

By: *Lois J. Schiffer*

LOIS J. SCHIFFER

Acting Assistant Attorney General  
Environment and Natural Resources  
Division

United States Department of Justice  
On behalf of the United States  
Environmental Protection Agency and  
the United States Department of the  
Interior  
10th St. and Constitution Ave., N.W.  
Washington, DC 20530

Date: 6/1/94

By:

Vincent J. Horn, Jr.  
VINCENT J. HORN, JR. JES

Trial Attorney

Environmental Enforcement Section

Environment and Natural Resources

Division

On behalf of the United States

Environmental Protection Agency and

the United States Department of the

Interior

United States Department of Justice

999 18th Street, Suite 945

Denver, Colorado 80202

Date:

6/14/94

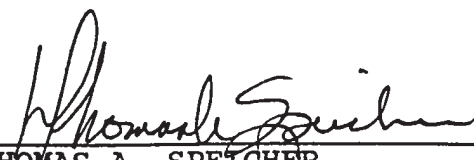
By:

Kerrigan D. Clough  
WILLIAM P. YELLOWTAIL  
Regional Administrator -  
Region VIII

U.S. Environmental Protection Agency  
999 18th Street  
Denver, CO 80202

Date: 6/8/94

By: \_\_\_\_\_

  
THOMAS A. SPEICHER  
Regional Counsel  
U.S. Environmental Protection Agency  
Region VIII  
999 18th Street  
Denver, CO 80202



Date: 6/2/94

By: Susan B. Nash

SUSAN BOSTWICK NASH  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region VIII  
999 18th Street  
Denver, CO 80202

Date: 6/30/94

By:

Dianne R. Nielson

DIANNE R. NIELSON

Director of the State of Utah

Department of Environmental Quality  
and State Trustee

P.O. Box 144810

168 North 1950 West

Salt Lake City, Utah 84114-4810

In re Lone Star Industries, Inc.  
Settlement Agreement and Stipulated Order  
Page 32

JAN GRAHAM  
Utah Attorney General

Date:

June 30, 1994

By:

Richard K. Rathbun

RICHARD K. RATHBUN  
Assistant Attorney General  
50 S. Main Street, Suite 900  
Salt Lake City, Utah 84144  
Telephone: (801) 536-8275

Attorneys for the Utah Department of  
Environmental Quality

Date: 3-17-94

By: \_\_\_\_\_



MELVIN C. WILSON  
Davis County Attorney  
800 West State  
Farmington, Utah 84024

Date: \_\_\_\_\_

By: \_\_\_\_\_

  
Davis County Health Department  
Gayle A. Stevenson, Chairman  
Davis County Commission